

Frasers Logistics & Industrial Trust

3rd Annual General Meeting



14 January 2020



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FY2019: Enhancing Resilience



Continued Value Creation



Financial Stability

- ◆ FY2019 distributable income grew 26.6% to A\$149.8 million
- ◆ Distribution per unit (“DPU”) of **7.27 AUD cents, up 4.8% year-on-year**. In SGD terms, DPU was 2.6% lower at 7.00 SGD cents due to the softening of the Australian dollar and Euro against the Singapore dollar



Creating Long-term Value

- ◆ **Acquired 11 Properties⁽¹⁾** in Australia, Germany and the Netherlands
- ◆ **Three Divestments⁽²⁾** at premiums to book value
- ◆ Secured **10 lease renewals and 1 new lease** (including one asset enhancement initiative)

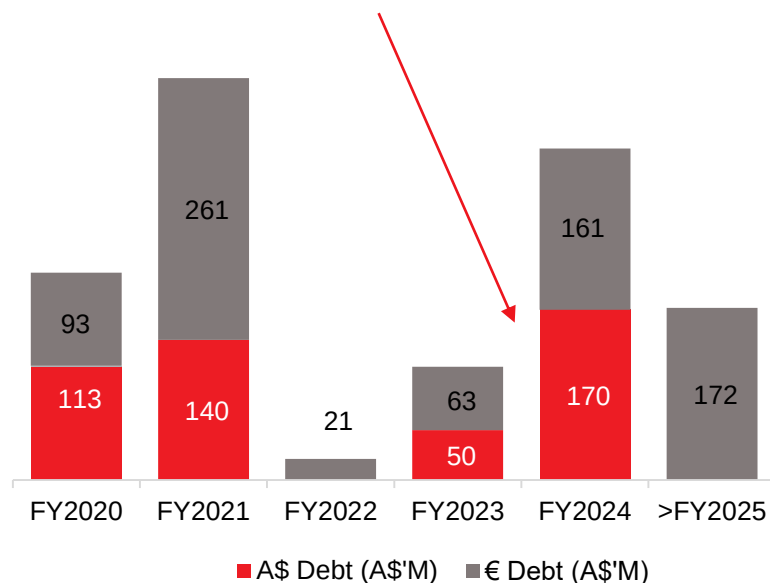


1. Excludes the acquisition of two German properties which were completed after 30 September 2019
2. Includes the divestment of 610 Heatherton Road, Clayton South, Victoria, Australia which was pending completion as at 30 September 2019

Disciplined and Prudent Capital Management

Maintained a Well-spread Debt Maturity Profile

- ◆ Secured a **A\$170 million 5-year green loan facility** during the year to refinance a A\$170 million loan which was due in June 2019
- ◆ Green loan was **swapped to Euro** to take advantage of the negative Euribor interest rates



As at 30 September 2019

Aggregate Leverage	33.4%
Total Gross Borrowings	A\$1,244 million
Weighted Average Cost of Borrowings ⁽¹⁾	2.2%
Average Weighted Debt Maturity	3.2 years
Interest Rate Exposure Fixed	60%
Interest Coverage Ratio	9.3 times
Debt Headroom	A\$781 million ⁽²⁾
Net Asset Value per Unit (A\$)	1.02
Net Asset Value per Unit (S\$)	0.95 ⁽³⁾

1. Excluding upfront debt related expenses
2. Prior to reaching the 45.0% aggregate regulatory leverage limit
3. Based on an exchange rate of A\$1.00:S\$0.9307 as at 30 September 2019

Delivered Total Return of 23.8%⁽¹⁾ in FY2019

As at 30 Sep 2019

~S\$2.8 billion
Market Capitalisation

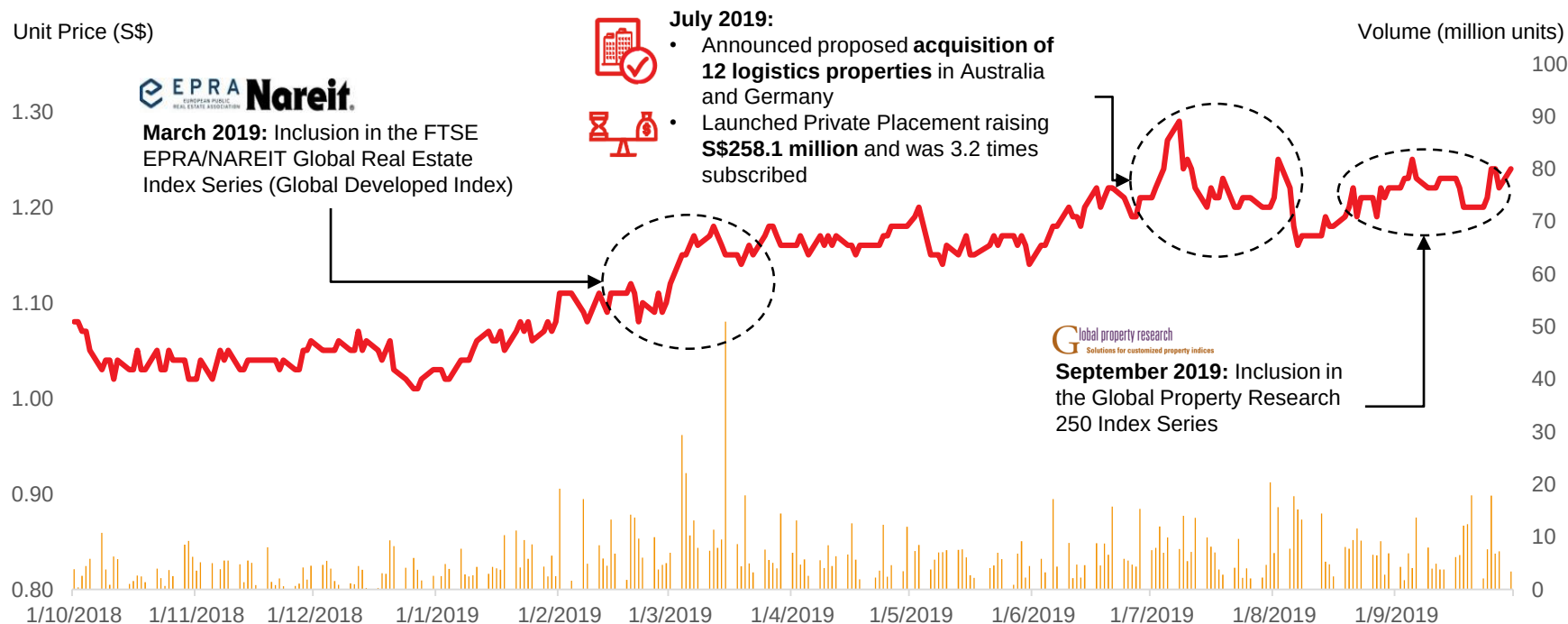
~69.0%⁽²⁾
Free Float

~6.5 million units
Average Daily Traded
Volume

~5.6%⁽³⁾
Distribution Yield

+14.8%⁽¹⁾
FLT Unit Price

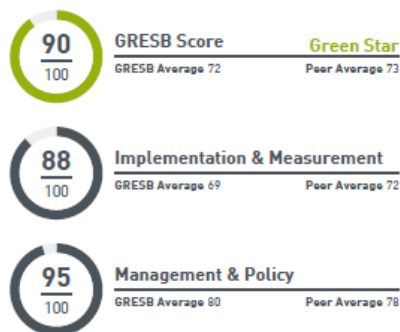
Trading Performance (1 October 2018 to 30 September 2019)



- Source: Bloomberg LLP. For the period from 1 October 2018 to 30 September 2019. Calculation of total return assumed distributions paid during the period are reinvested
- As at 27 November 2019
- Calculated based on FLT's closing share price of S\$1.24 per Unit as at 30 September 2019, and total distributions of 7.00 Singapore cents declared for FY2019

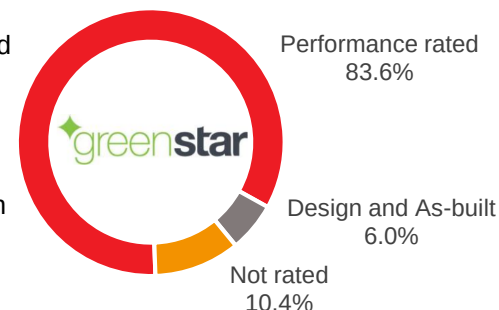
Continuing Leadership in Sustainability

✓ Named **Global Sector Leader (Listed Industrial)** for the second consecutive year in the GRESB Assessment⁽¹⁾



✓ **Highest Green Star performance-rated** portfolio in Australia⁽²⁾⁽³⁾

- ♦ Achieved an overall 4 Star Green Star rating as assessed by the GBCA
- ♦ First to achieve 6 Star Green Star ratings for industrial facilities in each of New South Wales, Victoria and Queensland



✓ **Portfolio Sustainability Initiatives**

Energy-efficient LED Lighting	♦ Installed on 77% ⁽⁴⁾ of Australian properties
Solar PV Systems	♦ 37% ⁽⁴⁾ of properties have solar PV installed with a total capacity of 4,110 kW
Geothermal Heating and Cooling	♦ Integrated into the base design of two properties in Australia

(As at 31 December 2019)

✓ **Case Study: Future-proofing our Assets**

An asset enhancement project completed in 2019 for CHEP Australia Ltd ("CHEP") included the following sustainability initiatives:

- ♦ Replaced lighting with energy-efficient LEDs
- ♦ Installed a 250kW solar PV system
- ♦ Landscaping improvement with drought-tolerant plants

The project, which also comprised other facility upgrades and a hardstand extension, **future-proofed the on-site operations for CHEP, which committed to an additional 10-year lease term**



CHEP Facility at 468 Boundary Road, Derrimut, Victoria

- Refers to the 2018 and 2019 Real Estate Assessments by Global Real Estate Sustainability Benchmark (GRESB), the global ESG benchmark for real estate
- Green Star ratings are awarded by the Green Building Council of Australia (GBCA) which has assessed the Australian properties against nine key performance criteria – energy, water, transport, materials, indoor environment quality management, land use and ecology, emissions and innovation
- Portfolio Green Star ratings as at 30 September 2019
- Based on Gross Lettable Area ("GLA")

Portfolio, Market Highlights and Strategy



FDM & TTI Facility, Australia

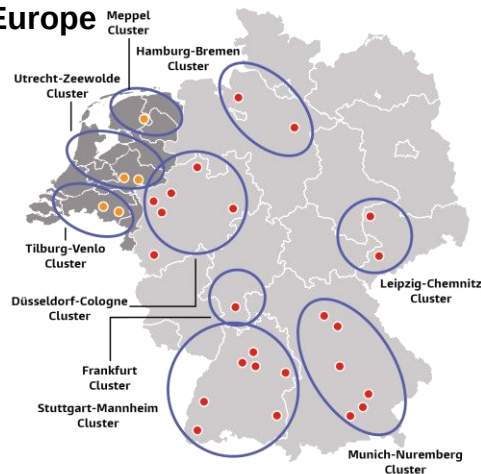
High Quality Portfolio in Key Global Logistics Hubs

Australia



City (State)	Properties	GLA (sq m)	Valuation as at 30 Sep 2019 (A\$' million)	% of FLT Portfolio (by Valuation)
Melbourne (Victoria) ⁽¹⁾	29	649,879	841.7	23.7
Sydney (New South Wales)	16	397,162	683.0	19.2
Brisbane (Queensland)	13	284,053	531.1	14.9
Adelaide (South Australia)	3	26,412	25.9	0.7
Perth (Western Australia)	1	26,412	12.3	0.3
Australian Portfolio Total:	62	1,383,918	2,093.9	58.8

Europe



Country	Properties	GLA (sq m)	Valuation as at 30 Sep 2019 (A\$' million) ⁽³⁾	% of FLT Portfolio (by Valuation)
Germany ⁽²⁾	24	627,518	1,175.8	33.1
The Netherlands	5	218,285	284.3	8.0
European Portfolio Total:	29	845,803	1,460.1	41.1

91⁽²⁾
Properties

A\$3,554 million
Portfolio Value

2,229,721 sq m
GLA

1. Excludes 610 Heatherton Road, Clayton South, Victoria, Australia which is classified as "Investment Property held for Sale"
2. Excludes the acquisition of two German properties which were completed after 30 September 2019
3. Based on an exchange rate of €1.00:A\$1.62104

Attractive Market Fundamentals



Australia
(58.9% of Portfolio Value⁽¹⁾)

Established footprint in the eastern seaboard – Key demographic centres and major logistics & industrial markets



GDP growth of 1.7% (Sep 18 to 19)

Continued support from low interest rates, recent tax cuts and infrastructure spending



5-year low vacancy levels

Across three seaboard cities of Sydney, Melbourne and Brisbane



Favourable demand-supply

New completions are well below the ten-year historic annual average, indicating that quality assets are in demand and in short supply



Germany
(33.1% of Portfolio Value⁽¹⁾)

Strategic exposure to the major logistics cluster of Germany and the Netherlands



GDP growth of 0.5% y-o-y (Sep 18 to 19)

Positive contributions from domestic consumption demand



Stable warehouse take-up

Healthy take-up of 1.8 million sq m recorded for the Top 8 logistics markets in the first three quarters of 2019



Limited Supply

Increasing shortage of development space in the Top 8 German logistics markets



The Netherlands
(8.0% of Portfolio Value⁽¹⁾)



Economy grew 1.9% y-o-y (Sep 18 to 19)

Increased investments in fixed assets, household consumption and balance of trade



Robust warehouse take-up

3.0 million sq m of industrial and logistics space was taken up in the first three quarters of 2019



Positive Investment Market

Logistics and industrial investment market continues to attract new entrants

Sources: Australian Bureau of Statistics, Statistisches Bundesamt, Statistics Netherlands, Knight Frank Research – Australian Capital View Outlook 2Q19, Australia Industrial & Logistics Market Overview by Jones Land LaSalle ("JLL"), Germany and the Netherlands Industrial & Logistics Market Overview by Colliers International

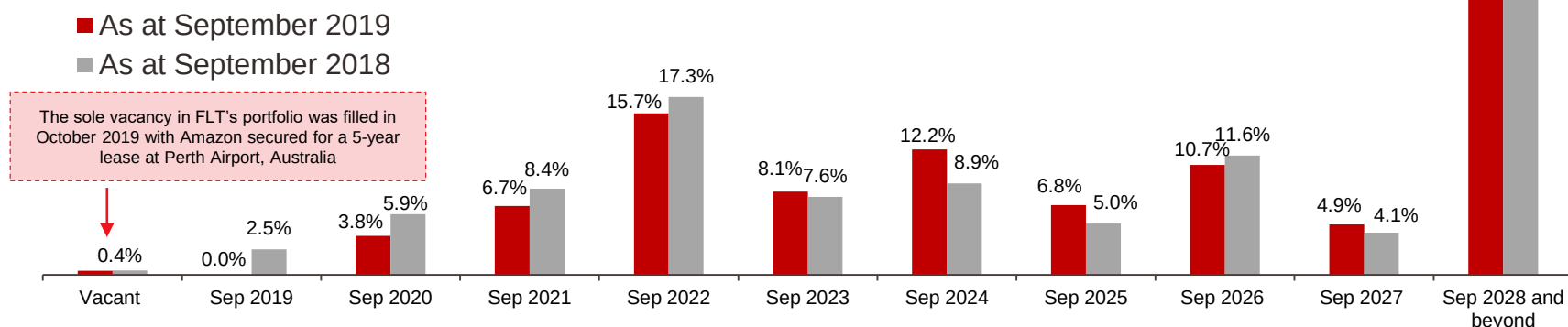
1. As at 30 September 2019

Attractive Portfolio Metrics

Well spread-out lease expiry profile⁽¹⁾

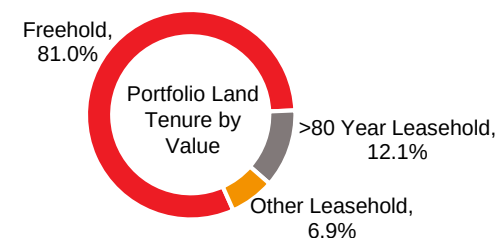
Minimal lease expiries
in FY2020

No more than 15.7% of the portfolio's leases by Gross Rental
Income ("GRI") will expire in any single financial year



As at 30 Sep 2019	Australia	Europe	Total
Average Property Age by Value	7.47 years	7.67 years	7.56 years
Weighted Average Lease Expiry ("WALE") ⁽¹⁾	5.74 years	7.42 years	6.31 years
Occupancy Rate ⁽¹⁾	99.4%	100%	99.6%
Average Annual Rental Increment	3.1%	CPI-linked/ Fixed ⁽²⁾	N.A.

Predominantly Freehold Tenure

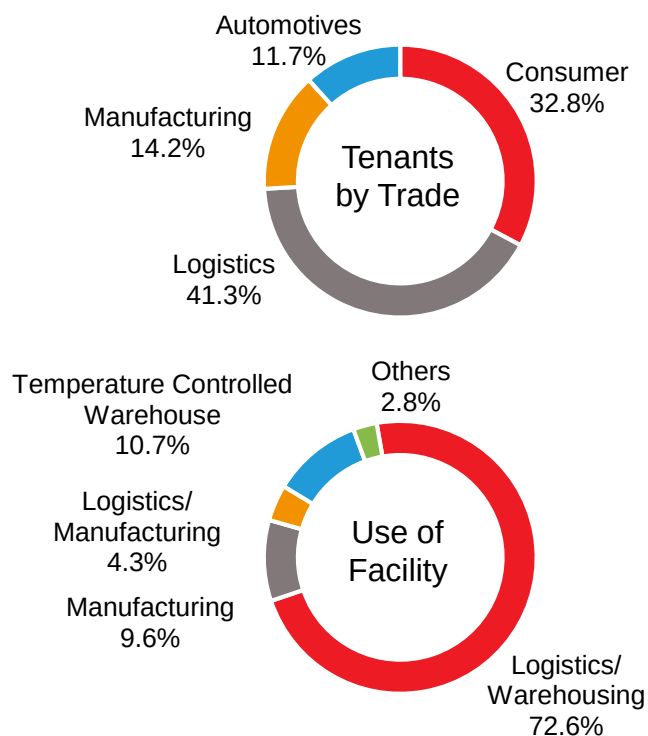


- Based on GRI, being the contracted rental income and estimated recoverable outgoings for the month of September 2019. Excludes straight lining rental adjustments. For the avoidance of doubt, the metrics exclude the effects of two German properties that were acquired after 30 September 2019
- 94% of the leases have either CPI-linked indexation or fixed escalations

Well-Diversified and High-Quality Tenant Base

High quality, diversified tenant base underpinned by primary industries including consumer, logistics services, manufacturing and automotives

Portfolio Breakdown⁽¹⁾



Top 10 Tenants⁽¹⁾

Tenant		% of GRI	WALE (Years)
BMW		3.5%	6.0
CEVA Logistics		3.4%	5.7
Coles Group		3.3%	12.7
Techtronic Industries		3.0%	3.4
Schenker		3.0%	5.0
Mainfreight		2.7%	6.4
Constellium		2.3%	7.7
Bakker Logistics		2.3%	11.1
DSV Solutions	 	2.1%	5.1
Bosch		2.0%	8.8

High quality tenant base that includes MNCs, listed companies and conglomerates with strong lease terms

1. Based on GRI, being the contracted rental income and estimated recoverable outgoings for the month of September 2019. Excludes straight lining rental adjustments

Proactive Lease Management

Strong Leasing Results in FY2019

122,554 sq m
Leasing Completed

91.2%
Tenant Retention Rate⁽¹⁾

-3.8%
Rental Reversion⁽¹⁾

Subsequent Event

In October 2019, signed a 5-year lease agreement with Amazon in Perth, bringing portfolio occupancy to 100%

Breakdown of FY2019 Leasing Activity

Property	Lease Type	GLA (sq m)	Lease Term (years)	New Expiry Date	Annual Rent Increment
2-46 Douglas Street, Port Melbourne, Australia	Renewal	3,262	5.0	30-Apr-24	3.50%
115-121 South Centre Road, Melbourne Airport, Australia	Renewal	206	5.0	4-May-23	3.25%
170 Atlantic Drive, Keysborough, Australia	Renewal	17,878	3.7	31-Mar-23	3.00%
468 Boundary Road, Derrimut, Australia	Renewal	24,732	10.0	9-Aug-31	2.50%
Unit 8, Reconciliation Rise, Pemulwuy, Australia	Renewal	13,991	3.0	31-May-25	3.25%
Otto-Hahn Straße, Vaihingen, Germany	Renewal	13,217	4.0	31-May-24	CPI
16-32 South Park Drive, Australia	Renewal	12,729	1.0	31-Jul-21	N.A.
17-23 Jets Court, Australia	Renewal	3,822	0.5	19-Sep-20	3.50%
Koperstraße 10, Nuremberg, Germany	Renewal	10,794	5.0	31-Aug-25	CPI
10 Siltstone Place, Berrinba, Australia	New	9,797	5.0	19-Oct-24	3.00%
17 Pacific Drive, Keysborough, Australia	Renewed	12,126	3.0	19-Jun-24	3.00%

1. Based on Gross Rent

FY2019 Acquisitions – Prime Logistics Properties

Strategic Acquisitions – enhances portfolio attributes through geographical diversification, a higher proportion of freehold properties, a longer WALE, and reduced tenant concentration risk

✓ Mandeveld 12, Meppel, the Netherlands

- ◆ **Property Purchase Price:** €25.36 mm
- ◆ **GLA:** 31,013 sq m
- ◆ **Occupancy:** 100%
- ◆ **Land Tenure:** Freehold
- ◆ **WALE⁽¹⁾:** 14.6 years



✓ Portfolio of 12⁽²⁾ prime logistics properties in Australia and Germany

- ◆ **Property Purchase Price:** €644.7 million
- ◆ **GLA:** ~297,000 sq m
- ◆ **Occupancy:** 100%
- ◆ **Land Tenure:** Freehold
- ◆ **WALE⁽¹⁾:** 8.6 years



1. Based on GRI as reported in the respective acquisition announcements

2. Includes the acquisition of two German properties which were completed on 28 November 2019 and 20 December 2019 respectively

Strategic Divestments in FY2019

Three
Divestments

A\$171.9 million
Total Sale Consideration

8.8% - 13.3%
Premium to Book Value

FY2019 Divestments

Property	Country	Sale Consideration (A\$' million)	Premium to Book Value (%)	Buyer	Completion Date
63-79 South Park Drive, Dandenong South, Victoria	Australia	17.25	13.1	Enborne	16 May 2019
50% interest in 99 Sandstone Place, Parkinson, Queensland	Australia	134.2	8.8	ACREF 99SP	24 July 2019
610 Heatherton Road, Clayton South, Victoria	Australia	20.4	13.3	Mack Bros Enterprises, Enjoy Church	6 January 2020



Investment Strategy and Objectives

Principal Objectives:

- ◆ Achieve long-term growth in DPU
- ◆ Deliver stable and regular distributions to unitholders

Strategies to support the Principal Objectives

1	Active Asset Management	◆ Proactive leasing: Maintain high occupancy rate, long WALE and well-diversified tenant base ◆ Asset Enhancement: Assess and undertake AEIs on the FLT portfolio to unlock further value
2	Selective Development	◆ Undertake development activities of properties complementary to the FLT portfolio – Development activities can be up to 10% of the current AUM⁽¹⁾ as per MAS guidelines ◆ Re-development of existing assets ◆ Sponsor's development pipeline
3	Acquisition Growth	◆ Pursue strategic acquisition opportunities of quality properties
4	Capital & Risk Management	◆ Optimise capital mix and prudent capital management

1. FLT may exceed the regulatory limit of not more than 10% of the company's deposited property (subject to maximum of 25%) only if additional allowance of up to 15% of the deposited property is utilised solely for redevelopment of an existing property that has been held for 3 years and continues to be held for 3 years after completion and specific approval of unitholders for redevelopment is obtained

**Experience
matters.**



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APPENDIX I

Portfolio Valuation and Financial Information

Portfolio Valuation

The FLT Portfolio was valued at approximately A\$3.6 billion as at 30 September 2019

- ♦ Uplift of A\$101.1 million over the carrying value of A\$3.5 billion

Location	No. of Properties	Valuations as at 30 Sep 2019		
Australia ⁽¹⁾		Value (million)		Capitalisation Rate
Victoria	29	A\$841.7		5.25% - 8.50%
New South Wales	16	A\$683.0		5.25% - 8.75%
Queensland	13	A\$531.1		5.25% - 7.00%
South Australia	3	A\$25.9		8.75% - 9.25%
Western Australia	1	A\$12.3		15.64% ⁽²⁾
Australian Portfolio Total:	62	A\$2,094.0		-
Europe		Value (million)	Gross Initial Yield ⁽³⁾	Net Initial Yield ⁽⁴⁾
German Portfolio	24	€725.4	4.56% - 7.59%	4.09% - 6.78%
The Netherlands Portfolio	5	€175.4	5.14% - 6.38%	4.55% - 5.58%
European Portfolio Total:	29	€900.8		
FLT Portfolio total	91	A\$3,554.1 ⁽⁵⁾		

1. Excludes 610 Heatherton Road, Clayton South, Victoria, Australia which is classified as "Investment Property held for Sale"

2. Leasehold property expiring in June 2033

3. In-place rent divided by net property value

4. In-place rent net of non-recoverable expenses divided by gross property value

5. Based on an exchange rate of €1.00:A\$1.62104

Financial Performance 1 October 2018 – 30 September 2019

(A\$'000)	FY2019	FY2018	Change (%)	Remarks
Revenue	240,758	195,766	23.0	- Contributions from the various acquisitions in FY2018 and FY2019; - A\$1.2 million early surrender fee received for 63 - 79 South Park Drive, Dandenong South, Victoria; and - A\$1.1 million make good income for 63 - 79 South Park Drive, Dandenong South, Victoria and 610 Heatherton Road, Clayton South, Victoria <i>which was partially offset by:</i> - The effect of the various divestments in FY2018 and FY2019
Adjusted net property income ⁽¹⁾	195,911	155,398	26.1	
Finance costs	27,882	23,805	17.1	Higher borrowings drawn to finance the various acquisitions in FY2018 and FY2019, partially offset by interest savings from the refinancing of A\$170 million borrowings and from the repayment of debt from the proceeds of the various divestments in FY2018 and FY2019. The weighted average interest rate excluding upfront related expenses for FY2019 was 2.2% per annum compared to 2.5% per annum for FY2018.
Gain on divestment of investment property	1,649	23,446	(93.0)	FY2019 relates to the gain on the South Park Drive Divestment⁽²⁾ while FY2018 relates to the gain on divestments in FY2018
Net change in fair value of investment properties	121,989	72,411	68.5	Relates to the fair value adjustments made on the Group's investment properties based on independent valuations as at 30 September and for FY2019 includes the net fair value gain on divestment of 50% interest in 99 Sandstone Place, Parkinson, Queensland of A\$8.9 million
Distributable income to Unitholders	149,836	118,341	26.6	- Contributions from the various acquisitions; and 92.2% of management fees paid in the form of units (FY2018: 88.2%) <i>which was partially offset by:</i> - Higher finance costs.
DPU (Australian cents)	7.27	6.94	4.8	Lower hedged exchange rate of A\$1.00: S\$0.9632 (FY2018: A\$1.00: S\$1.0328) by 6.7% due to weaker AUD and EUR against the SGD
DPU (Singapore cents)	7.00	7.19	(2.6)	

1. Net property income excluding straight lining adjustments for rental income and after adding back straight lining adjustments for ground leases

2. Please refer to Page 2 of FLT's Financial Statements Announcement dated 6 November 2019 for details of the capitalised terms

Balance Sheet

- ♦ The value of investment properties and investment property held for sale increased 19.9% from A\$2,978 million as at 30 September 2018 to A\$3,572 million as at 30 September 2019, due mainly to:
 - Completion of seven out of nine properties in the German Properties Acquisition, the Australian Properties Acquisition, the Dutch Acquisition⁽¹⁾; and
 - Fair value adjustment made based on independent valuations as at 30 September 2019 *which was partially offset by*
 - Completion of the South Park Drive Divestment and the Sandstone Place Divestment⁽¹⁾
- ♦ FLT is in a net current liability position as at 30 September 2019 due to the short-term borrowings of A\$206 million.

Balance Sheet (A\$'000)	As at 30 Sep 19	As at 30 Sep 18
Investment properties	3,554,142	2,978,204
Other non-current assets	2,117	1,133
Current assets	162,627	115,638
Total assets	3,718,886	3,094,975
Non-current liabilities	1,105,194	884,774
Current liabilities	270,955	266,947
Total liabilities	1,376,149	1,151,721
Net asset value per Unit (A\$)	1.02	0.95
Net asset value per Unit (S\$)	0.95⁽²⁾	0.94⁽³⁾

1. Please refer to Page 2 of FLT's Financial Statements Announcement dated 6 November 2019 for details of the capitalised terms

2. Based on an exchange rate of A\$1.00:S\$0.9307 as at 30 September 2019

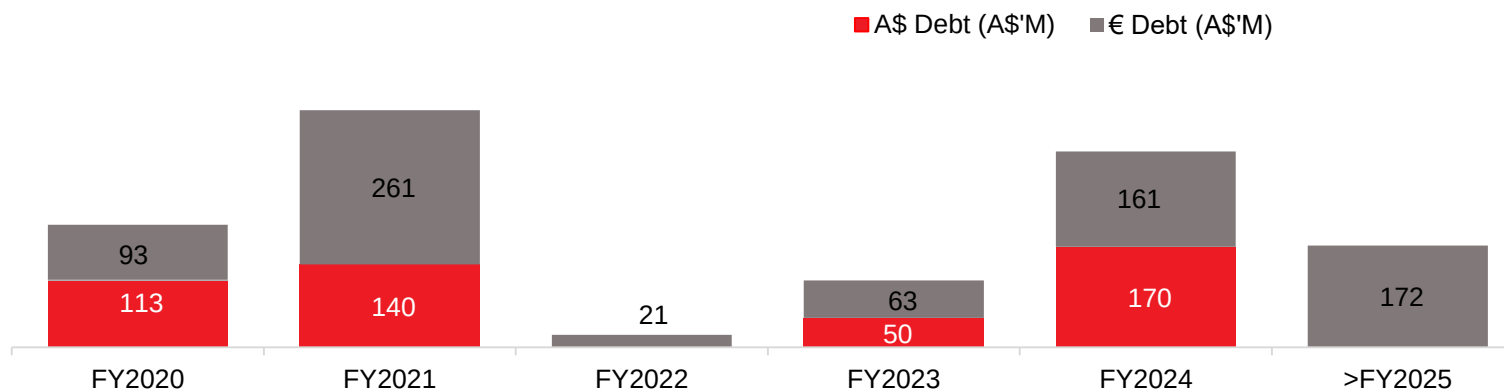
3. Based on an exchange rate of A\$1.00:S\$0.9878 as at 30 September 2018

Debt

As at 30 September 2019

Aggregate Leverage	33.4%
Total Gross Borrowings	A\$1,244 million
Weighted Average Cost of Borrowings ⁽¹⁾	2.2%
Average Weighted Debt Maturity	3.2 years
Interest Rate Exposure Fixed	60%
Interest Coverage Ratio	9.3 times
Debt Headroom	A\$781 million ⁽²⁾

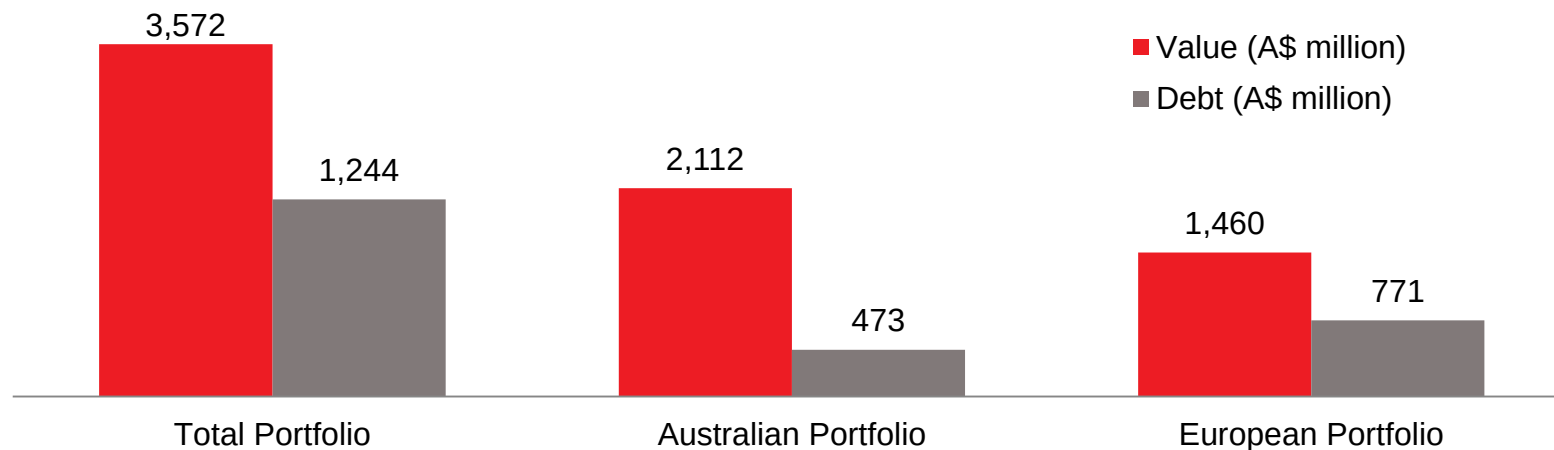
Debt Maturity Profile



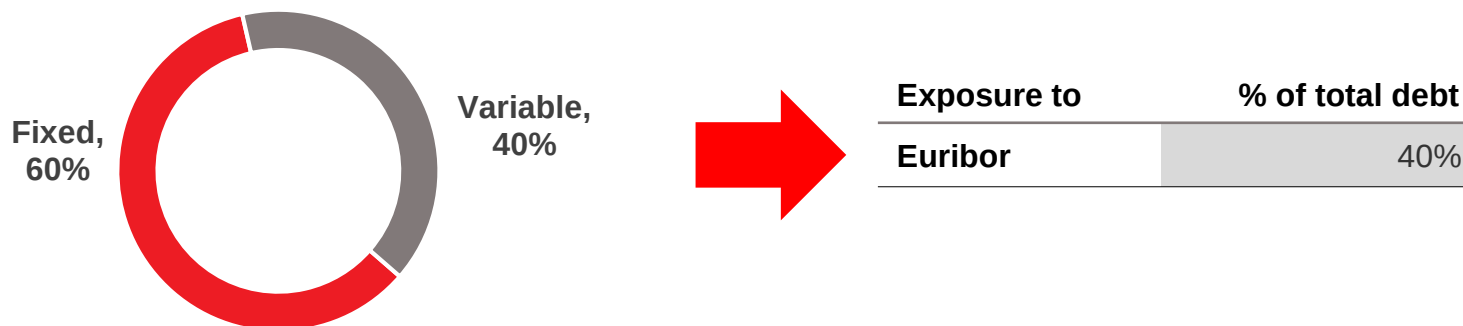
1. Excluding upfront debt related expenses
2. Prior to reaching the 45.0% aggregate regulatory leverage limit

Capital Management

Investment Properties⁽¹⁾ and Debt (As at 30 September 2019)



Interest Risk Management (As at 30 September 2019)



1. Includes Investment Property held for sale